

October 16, 2017

VIA ELECTRONIC FILING

Jocelyn Boyd, Chief Clerk / Administrator
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, SC 29210

Re: Application of Combined Public Communications, LLC
Docket No. 2017-256-C

Dear Ms. Boyd:

Enclosed for filing please find the Rebuttal Testimony of Brett E. Ruschman, on behalf of Combined Public Communications, LLC. If you have any questions about this filing, please have someone on your staff contact me.

Yours truly,



Frank R. Ellerbe, III

FRE:tch

Enclosure

cc w/enc: C. Lessie Hammonds, Esquire (via email)
Sharron Warren, Consultant (via email)
Tracey Dolezal (via email)

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2017-256-C

Application of)
Combined Public Communications, LLC)
for a Certificate of Public Convenience and Necessity)
to Provide Intrastate Resold Institutional)
Telecommunications Services and for Alternative)
Regulation Within the State of South Carolina)

COMBINED PUBLIC COMMUNICATIONS, LLC
("CPC")

REBUTTAL TESTIMONY
OF BRETT E. RUSCHMAN

1 **Q. Will you please state your name and business address?**

2 A. My name is Brett E. Ruschman. My business and mailing address is 100 Aqua Drive, Cold
3 Spring, KY 41076.
4

5 **Q. What is your position and experience with Combined Public Communication, LLC**
6 **(“CPC”)?**

7 A. I am currently CPC’s Vice President of Technology. I have been employed by CPC since
8 2010. I previously held positions as Network Engineer, Information Technology Director,
9 and Information Technology Special Projects Manager. In my present position my
10 responsibilities include overseeing various technical aspects of CPC’s operations and I am
11 familiar with all aspects of the Company’s operations.
12

13 **Q. What is the purpose of your Rebuttal Testimony?**

14 A. The purpose of my Rebuttal Testimony in this case is to respond to the Direct Testimony
15 of The Office of Regulatory Staff’s (“ORS”) witness Christopher J. Rozycki which was
16 filed on October 9, 2017 and to provide the Commission additional information on CPC,
17 its finances and its history of successfully providing inmate calling services.
18

19 **Q. Can you provide information on the 2016 transaction with Argosy Capital and**
20 **explain what that transaction indicates is the market value of CPC?**

21 A. Argosy Capital is a private equity firm based in Philadelphia, Pennsylvania with
22 approximately \$300 million under management. In 2016, one of the founders of CPC,
23 Melody Weil, sought to sell her interest in CPC. Eventually, an agreement was reached by
24 which an Argosy Capital fund invested in CPC and acquired the interest of Weil. The
25 structure of the transaction utilized convertible subordinate debt in lieu of direct equity and
26 this structure was chosen by the remaining shareholders from various proposals by a
27 number of entities. The enterprise value of CPC, as defined through the bidding process
28 for Melody Weil’s shares, was approximately \$35 million.
29

30 **Q. Does CPC have access to funds to allow it to meet its obligations?**

31 A. Yes, absolutely. We have an excellent track record of meeting our obligations to our

1 inmate customers and to the correctional facilities that we serve.

2 **Q. Would you provide information on CPC's track record in the inmate calling**
3 **business?**

4 A. CPC currently provides inmate calling services to over 200 facilities in 15 states. We have
5 never failed to give customers full value for legitimate prepaid calling balances. We have
6 also never failed to meet our obligations to any of the correctional facilities where we
7 operate. As a normal part of our business, CPC enters into term contracts with correctional
8 facilities. At the expiration of the term we work to persuade the facility to renew and
9 extend our contractual relationship. In every instance except for three we have successfully
10 retained our clients and one of those three facilities has returned to CPC as its provider of
11 inmate calling services.

12
13 **Q. Has CPC had any regulatory issues in the states where it operates?**

14 A. No. We have not encountered issues or complaints from the various regulatory agencies
15 in the jurisdictions where we operate.

16
17 **Q. Have you reviewed Mr. Rozycki's request that CPC be required to post a bond to**
18 **protect the customers prepayments and open debit accounts?**

19 A. I have reviewed his proposal.

20
21 **Q. Would you explain CPC's response to the bond proposal?**

22 A CPC does not oppose the ORS request that we post a bond and we will be glad to work
23 with Mr. Rozycki and the ORS to reach agreement on an appropriate amount for the bond.
24 We would also like the opportunity, when we have gotten established in South Carolina,
25 to come back to this Commission to ask that the bond requirement be waived.

26
27 **Q. Does this conclude your testimony?**

28 A. Yes.

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CERTIFICATE OF SERVICE

This is to certify that I, Toni C. Hawkins, a paralegal with the law firm of Sowell Gray Robinson Stepp & Laffitte, LLC, have this day caused to be served upon the person(s) named below the Rebuttal Testimony of Brett E. Ruschman, on behalf of Combined Public Communications, LLC in the foregoing matter by placing copies of same in the U.S. Mail addressed as follows:

C. Lessie Hammonds, Counsel
Office of Regulatory Staff
1401 Main Street, Suite 900
Columbia, SC 29201
lhammon@regstaff.sc.gov

Dated at Columbia, South Carolina this 16th day of October, 2017.


